



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES  
Minerals & Mining Program - Oil & Gas Section  
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FORM 2

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AUG 2 2007

DEPT OF ENVIRONMENT & NATURAL  
RESOURCES - RCRO

## APPLICATION FOR PERMIT TO DRILL

Type of Work:

☐ Drill New Well ☒ Reenter Well ☒ Drill Directional Well  
☒ Other Drill additional NE lateral

Type of Well:

☒ Oil Well ☐ Gas Well ☐ Injection  
☐ Other

Name and Address of Operator

LUFF EXPLORATION COMPANY, 1580 LINCOLN STREET, SUITE 850, DENVER, CO 80203

Telephone

(303) 861-2468

Name and Address of Surface Owner

Miller Ranch c/o Gregory Miller, RR1 Box 119, Bowman, ND 58623

Name and Address of Drilling Contractor and Rig Number:

C&H Well Service, Inc., PO Box 2556, Gillette, Wyoming 82717-2556, Rig #104

Surface Location of Well: Qtr-Qtr, Sec, Twp, Rge, County, Feet from Nearest Lines of section, and latitude and longitude (if available):  
NWSE Sec. 27-T23N-R6E, Harding County, 2640' FNL x 1950' FEL

If Directional, top of pay and bottom hole location from nearest lines of section:

Northeast Lateral: 11,694' MD, 9035' TVD, 960' x 0' FEL, Sec. 27-T23N-R6E

Acres in Spacing (Drilling) Unit

640 acres

Description of Spacing Unit

E/2 Sec. 27 & W/2 Sec. 26

Well Name and Number		Elevation	Field and Pool, or Wildcat		Proposed Depth and Formation
Miller 1-27		2895' GL	Corey Butte		9035' TVD; 11,694' MD; RR
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	
1) 12-1/4"	8-5/8"	24#	807'	360 sx Premium Lite & Class G, 3% salt + misc.	surf
2) 7-7/8"	5-1/2"	17 & 23 #	9269'	1545 sx Premium Lite & Class G + various additives	unknown
3)					
4)					

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use Additional Page(s) if appropriate.

Permit #1686; API #40-063-20084

Sidetrack existing North Lateral at a point approx 9625' MD 9035' TVD and drill a new North East leg to a point at approximately 11,694' MD, 9035' TVD, 960' FNL x 0' FEL Sec. 27-T23N-R6E. Drilling fluid will be fresh water/gel polymer. All cuttings and drilling fluids will be contained in a pit lined with 12 mil plastic. All liquieds will be disposed of in an approved site, the liner and cuttings will be buried in place. Completion will be open hole in the horizontal section. A preliminary horizontal well plans is attached. The estimated start date is September 15, 2007.

Blanket South Dakota bond #4127010

I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.

Signature

David A. Norby  
Name (Print)

Operations Manager  
Title

7/25/2007  
Date

### FOR OFFICE USE ONLY

Approved by:

Title: Oil and Gas Supervisor

Permit No. 1843

API No. 40 063 20084.02

Date Issued: August 20, 2007

Conditions, if any, on attached page.